

ABS service industries surveys: Collecting data on income for detailed products

2002 Voorburg Group conference paper

Written by Graham Boxsell, presented by Richard McKenzie

Australian Bureau of Statistics

Introduction

The ABS service industries surveys program has been in operation since 1986-87. It became part of the wider ABS strategy for service industry statistics in 1995 and the program was reviewed in 1999. Since inception of the service industries surveys program, its primary objective has been to identify the size and structure of various service industries in the economy. For reference, a list of service industries surveys publications released from 1986-87 to 2001-02 is contained in Attachment A.

While it is recognised that not all service industries could be regularly covered within the program (there are over 200 service industry classes in the Australian and New Zealand Standard Industrial Classification), it has been agreed that priority industries in the program should be those which:

- a) statistics are needed for government policy makers,
- b) are rapidly changing in structure, and
- c) are not regularly serviced by other ABS collections.

Consequently a service industries program has been developed with the most important industries generally surveyed on a three yearly basis and the slightly lesser important industries generally surveyed every six years.

When identifying size and structure of various service industries, clients are most interested in dissecting total income (turnover) by different types of services/products provided. Major internal ABS users include the National Accounts Branch, in particular to support the construction of Input-Output tables, and the Producer Price Indexes to provide weighting patterns for their service industry price indexes. Major external users are Government departments and industry bodies, who use this data in analysing the various proportional and size contributions to industry income for policy and benchmarking reasons.

This paper outlines the ABS service industries surveys methods of collecting dissections of income and draws on almost 15 years of experience in doing so in these surveys.

Broad outline

As with other ABS surveys, the minimisation of provider load is of paramount importance when collecting information. As a guide there are standard financial questions that are asked in all ABS economic collections and for income these questions include: services income; sales of goods income; rent; leasing and hiring income; government funding and interest income, etc.. However, for service industries surveys a greater dissection is usually required of services income. While the Central Product Classification (CPC) is a good starting point in deciding on the various dissections of services income, the main requirements of clients and the availability of this information from providers has a strong influence on the data collected.

Thus in developing service industries surveys, two important steps are in-depth consultations with clients and meetings with a selection of providers. In meetings with providers, annual accounts of financial information are discussed to ascertain how readily the dissections of income can be provided. Ideally, if such data is contained in their annual accounts, then provider load is kept to a minimum and the quality of response is enhanced.

There are many different ways by which income can be dissected, which can differ in complexity depending on the industry. The types of income dissections that have been collected in ABS service industries surveys include:

- i) Core service income by type
- ii) Sale of products by type
- iii) Type of market
- iv) Type of client
- v) Activity dimension

Each of these types are discussed below under separate headings. It should be noted that each type is not dedicated to a particular industry, as an industry survey may contain two or three of these different types.

Core service income by type

This is probably the most common method. For the hospitality industries, it includes businesses reporting their income from the sale of beverages, meals, accommodation and gambling. End of year financial accounts generally have this type of dissection recorded. For cultural performing arts industries this would include businesses reporting government funding, box office takings, fundraising income, sales of goods and royalties. Such information is usually readily available, but further dissections such as government funding by level of government, box office takings by type of production and fundraising income by type may be a lot more difficult to collect.

For property and business services industries, examples of in-depth dissection of income within an industry are:

Legal services industry

Collection of legal service by field of work such as that provided by practices in the legal industry. This information is requested by 16 separate fields of work including property, banking and finance, commercial, family and criminal law.

Accounting services industry

A breakdown of total accounting income, by estimated percentages of income earned in the following key areas is collected: business taxation; personal accounting and taxation; auditing and assurance; insolvency & bankruptcy; management consultancy; financial planning.

Real estate industry

Dissection of agency income by key items such as: property sales and management commissions, both by property type; consultancy fees; property valuation fees; conveyance work.

Consultant engineering industry

Dissection of agency income by key fields of engineering, such as: building / structural; building services; roads & bridges; urban development; communication and technology; electronic / power; industrial; mining; oil and gas.

Sale of products by type

The retail and wholesale industries deal in the sale of products, so any industry income dissection is by type of product sold. To assist in the reporting of such data, the ABS generally tailors questionnaires to each broad retail/wholesale industry, so as to restrict the number of products to a manageable number for each industry and make the products more meaningful to providers.

An alternative to this approach is the hire industry, where businesses are requested to supply their hire income by type of goods hired (e.g. scaffolding, cranes, forklifts, etc)

Type of market sector

An interesting dissection, which is often not part of annual financial accounts, but can be reported in the broad sense, is income by type of market served. For example, the ABS market research survey has collected income data from businesses by research into the manufacturing, automotive, industrial, financial, media and other sectors. Industry associations are closely consulted to assist with the clear enunciation of these types of questions on questionnaires.

Type of client

For some service industries surveys, an estimate of income by broad grouping of clients has been obtained. In the consulting engineering survey, questionnaires asked for their consulting engineering income dissected by other Australian consulting engineering businesses, other Australian private sector businesses, Australian government sector and overseas sector. Clients are particularly interested in this type of data for industries where substantial income can be generated from other businesses within the industry, thus being able to derive a net income for the industry (rather than total turnover). Also, as a proxy for exports, the level of income received from overseas is important to identify for industries that are becoming more global.

Activity dimension

For some industries dominated by not-for-profit organisations (e.g. community services), income dissections are less meaningful in identifying the industry structure. In Australia, a very large proportion of community services industry income is derived from government funding. While it is important to identify the proportion of government funding in this industry, a better method to identifying the structure of the industry is to request organisations to supply details of their expenditure by type of service (e.g. expenditure on information, advice and referral, child care, crisis accommodation, intensive residential care, etc). The ABS has conducted two community services industry surveys in which expenses were broken down into 25 separate community service activity categories for this purpose.

Accuracy of statistics

As mentioned above, dissections of income ideally should mirror what is recorded in annual accounts. Thus respondent load is minimised and accuracy is enhanced. However, where demand is justified and sufficient accuracy can be expected, these dissections are requested for data outside annual accounts. In this case providers are asked to supply a careful estimate in monetary terms or a percentage dissection of income (which is then converted to monetary data by the ABS). Income dissections by type of market sector and type of client are examples where percentage dissections are usually asked on questionnaires.

With the program comprising many vastly different industries, users feedback on the quality of results has been varied. Where survey scope has enabled the capturing of all industry activity (e.g. private practice medical services, legal services) user feedback has indicated that the independent ABS statistics are considered highly and suit their purpose. However, where survey scope is too restrictive to capture all industry activity (e.g. performing arts venues, public libraries), users are disappointed that the industry scope is not more extensive. Thus the survey scope of each service industry survey is closely reviewed at the commencement of each survey to best fit user requirements.

Graham Boxsell (graham.boxsell@abs.gov.au)
Service Industries Surveys
Australian Bureau of Statistics

September 2002

ATTACHMENT A

ABS SERVICE INDUSTRIES SURVEYS PUBLICATIONS

1986-87

ABS catalogue number

Industry description

8652.0	Motor Vehicle Hire
8653.0	Travel Agency Services
8654.0	Motion Picture Theatres
8655.0	Cafes and Restaurants
8656.0	Hotels & Bars and Accommodation (incl Cafes and restaurants)
8657.0 □	Licensed Clubs □
8658.0	Laundries and Dry Cleaners
8659.0	Hairdressers and Beauty Salons
8660.0	Photographic Services
8661.0	Tourist Attractions

1987-88

8663.0	Real Estate Agents
8664.0	Architectural Services
8665.0	Surveying Services
8666.0	Engineering and Technical Services
8667.0	Legal Services
8668.0	Accounting Services
8669.0	Computing Services
8670.0	Advertising Services
8671.0	Pest Control Services
8672.0	Cleaning Services
8673.0	Security/Protection and Other Business Services

1991-92

8652.0

Motor Vehicle Hire

8674.0

Hospitality Industries

- Accommodation
- Pubs, Bars and Taverns
- Cafes and Restaurants
- Licensed Clubs
- Casinos

8675.0

Amusement and Theme Parks

1992-93

8663.0

Real Estate Agents

8676.0

Technical Services

- Architectural Services
- Surveying Services
- Consultant Engineering Services

8669.0

Computer Services

- Data Processing Services
- Information Storage & Retrieval
- Computer Maintenance Services
- Computer Consultancy Services

8678.0

Legal and Accounting Services

8677.0

Selected Business Services

- Advertising Services
- Market Research Services
- Business Management Services

1993-94

8654.0

Motion Picture Exhibition

8680.0

Radio and Television Services

8679.0

Film and Video Production and Distribution

□

1994-95

8689.0

Private Practice Medical Practitioners

8685.0

Private Practice Medical Services

8692.0

Sport, Recreation and Gambling - Preliminary

8683.0

Casinos

8687.0

Clubs, Pubs, Bars and Taverns

8684.0

Gambling

8686.0

Sport

8688.0

Recreation Services

1995-96

8695.0	Accommodation
8694,0	Community Services Industry - Preliminary
8696.0	Community Services
8663.0	Real Estate
8693.0	Consulting Engineering Services
8669.0	Computer Services
8678.0	Legal and Accounting Services
8683.0	Casinos

1996-97

8654.0 □	Motion Picture Exhibition
8680.0 □	Radio and Television Services
8679.0 □	Film and Video Production and Distribution
8649.0	Libraries and Museums □
8699.0 □	Zoos, Parks and Gardens
8697.0 □	Performing Arts
8555.0	Sound Recording Studios
8651.0	Commercial Art Galleries □
8653.0 □	Travel Agents
8683.0 □	Casinos
8698.0 □	Waste Management Services

1997-98

8647.0	Gambling, Preliminary
8687.0□	Clubs, Pubs, Bars and Taverns
8684.0□	Gambling
8683.0□	Casinos
8695.0	Accommodation□
8551.0	Dental services□
8553.0	Optometry and Optical dispensing □
8554.0	Audiology and audiometrist services□
8552.0	Physiotherapy services□
8550.0	Chiropractic services□

1998-99

8663.0□	Real Estate Agents
8667.0□	Legal Services
8557.0□	Security Services
8672.0□	Cleaning Services
8556.0□	Market Research Services
8669.0□	Computer Services
8558.0□	Employment Placement and Contract Staff Services
8655.0□	Cafes and Restaurant Services
8683.0□	Casinos

1999-00

8696.0	Community Services
8654.0 □	Motion Picture Exhibition
8559.0 □	Television Services
8679.0 □	Film and Video Production and Distribution
8562.0	Video Hire Outlets □
8561.0	Libraries □
8560.0	Museums □
8563.0 □	Botanical Gardens
8697.0 □	Performing Arts
8651.0	Commercial Art Galleries □
8567.0	Hire Industries (Preliminary) □
8565.0	Hire Industries □
8564.0	Veterinary Services □
8683.0 □	Casinos

2000-01

8686.0 □	Sports Industries
8688.0	Selected Recreation Industries □
8695.0 □	Accommodation
8687.0 □	Clubs, pubs, taverns and bars
8684.0 □	Gambling Industries
8683.0 □	Casinos
8566.0 □	Business Events Venues